

Medicare Prescription Drug Coverage

Your Guide to the Basics

What's New in Medicare?

- New preventive benefits
- Prescription drug coverage starting January 1, 2006
- New health plan options

Help with Prescription Drug Costs

Two steps

1. Medicare-Approved Drug Discount Cards
 - Temporary program (2004–2005) to help until coverage is available
2. Prescription drug coverage begins January 1, 2006

Who Can Join?

- Drug coverage is for all people with Medicare
- All will have access to at least two Medicare prescription drug plans
- Extra help for people with limited resources
- Most people with Medicare must choose and enroll in a Medicare prescription drug plan to get drug coverage

Why Join a Plan?

- Medical practice relies on new drug therapies to treat chronic conditions
- Out-of-pocket spending on drugs has increased
- Most people need or will need prescription drugs to stay healthy
- Medicare insurance coverage for prescription drugs will protect from high out-of-pocket costs
- For most people, joining when first eligible means paying the lowest monthly premiums



Test Yourself



Q. Who can get Medicare prescription drug coverage?



Test Yourself



Q. Who can get Medicare prescription drug coverage?

A. Medicare prescription drug coverage will be available to everyone with Medicare. Extra help will be available for people with low incomes and limited resources. People with Medicare will have access to at least 2 prescription drug plans.

Enrolling in a Plan

People with Medicare can:

- Enroll directly with the plan
- Have a personal representative enroll them
- Ask others to help them enroll

When to Enroll

- Join between November 15, 2005, and December 31, 2005
 - Coverage will begin on January 1, 2006
- Join between January 1, 2006, and May 15, 2006
 - Coverage will begin the first day of the month after the month joined

Medicare Prescription Drug Coverage

- Coverage begins January 1, 2006
- Available for all people with Medicare
- Provided through:
 - Prescription drug plans
 - Medicare health plans
 - Some employers and unions for retirees

How the Plans Work

- Must offer basic drug benefit
 - Standard benefit
- May offer supplemental benefits
 - Enhanced benefit
- Can be flexible in benefit design
- May begin marketing in October 2005
- Must follow marketing guidelines

What it Costs...How it Works

- Pay a premium of about \$37 each month
 - In addition to Part B premium
 - Enhanced benefit may cost more
- Pay a yearly deductible up to \$250
- Pay part of the cost of covered prescription drugs

Things to Consider

- Look over current health insurance coverage
 - Are prescription drugs covered?
 - What are the out-of-pocket costs?
 - Is there prescription drug coverage through a former employer or union?
- Are there limited resources?



Test Yourself



Q. When will Medicare prescription drug coverage begin?



Test Yourself



- Q.** When will Medicare prescription drug coverage begin?
- A.** Prescription drug coverage can begin as early as January 1, 2006

What About Medigap Drug Coverage?

- Some Medigap plans have a drug benefit
- If the Medigap plan does **not** have drug benefits
 - The Medigap coverage will not change

What About Medigap Drug Coverage?

- If Medigap plan **has** a drug benefit
 - You can:
 - Keep the current Medigap drug benefit
 - OR**
 - Enroll in a Medicare prescription drug plan to get drug coverage

Medicare Health Plans

- Some people get Medicare benefits through a Medicare Health plan
- People enrolled in a Medicare Health plan that is an HMO or PPO can receive their drug coverage through that plan

How it Works for Retirees

- A retiree has a choice as to whether to enroll in a Medicare drug plan
- Former employers or unions will provide more information to retirees before the drug coverage begins in 2006
- Employers may choose to work with Medicare to offer a variety of retiree drug benefit options including taking a federal subsidy

Extra Help for Some People

- Those with limited resources
 - Get extra help with their Medicare drug plan cost
- Those with lowest incomes
 - Pay no premiums or deductibles
 - Pay small or no copayments
- Those with slightly higher incomes
 - Pay reduced deductible
 - Pay a little bit more out of pocket.

To Get Help Paying the Cost of Prescription Drug Plans

- Person with Medicare must:
 - Reside in the United States
 - Meet the income and resource requirements of the subsidy program
 - Be enrolled in Medicare

To Get This Help

- Person does not have to do anything
 - If currently receiving benefits from both Medicaid and Medicare
 - or
 - Receiving Supplemental Security Income benefits and Medicare
- Information will come in the mail from Medicare
 - Explaining eligibility for this coverage, and
 - What he/she should do this fall to enroll in a Medicare plan that offers prescription drug coverage

To Get This Help

- Person with Medicare must have
 - Annual income less than \$14,355 (single)
 - Annual income less than \$19,245 (married)
- AND
- Limited resources
- Application will come from Social Security Administration
- Mail completed application to Social Security Administration
- Will need to enroll in a plan in the fall



Test Yourself



Q. True or False?

Medicare prescription drug coverage is only for people with low incomes and limited resources.



Test Yourself



Q. True or False?

Medicare prescription drug coverage is only for people with limited incomes and resources.

A. False

Medicare prescription drug coverage will be available to everyone with Medicare. Extra help will be available for people with limited incomes and resources.

Important Dates

- **October 2005**
 - *Medicare & You 2006* mailed
- **October 13, 2005**
 - Begin comparing plans
 - www.medicare.gov
 - 1-800-MEDICARE

Important Dates

- **November 15, 2005**
Begin enrolling in plans
- **January 1, 2006**
Prescription coverage begins
- **May 15, 2006**
Open enrollment ends



Test Yourself



Q. When can people with Medicare begin comparing prescription drug plans?



Test Yourself



- Q.** When can people with Medicare begin comparing prescription drug plans?
- A.** The *Medicare & You 2006* handbook will be mailed out in October 2005. This handbook will have detailed information on the plans available in each area.

On **October 13, 2005**, people with Medicare can begin comparing prescription drug plans by calling **1-800-MEDICARE**.

More Information in 2005

- Targeted brochures, fact sheets, and tip sheets
 - Nationally available in English and Spanish
- *Medicare & You 2006* mailed
 - Lists prescription drug plans available in each area
- Personalized information available at
 - www.medicare.gov
 - 1-800-MEDICARE (1-800-633-4227)

Medicare & You
**Information and Assistance to Get
Medicare Drug Coverage**

- Medicare is working with public and private groups to help people with Medicare understand
 - Medicare prescription drug coverage and
 - How to access this coverage
- Social Security Administration and the States are helping those eligible for extra help paying for prescription drug plans and those transitioning from State drug coverage

**Social Security Administration
Working with Medicare**

- Spring
 - SSA will mail applications to people who may qualify for the extra help
 - Medicare will mail information to people who automatically qualify for extra help
- Early Summer
 - SSA will help people fill out applications
 - SSA will distribute Medicare information on drug coverage at outreach events

Thank You for Watching

To learn more about how to partner with
CMS at the community level, visit:

<http://www.cms.hhs.gov/partnerships>

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